

**May 27, 1999**

**ANNOUNCEMENT concerning REQUEST FOR PROPOSALS (RFP)  
#TIRNO-99-R-00035, ELECTRONIC TAX ADMINISTRATION (ETA) PILOT OF  
ALTERNATIVE PAYMENT METHODS FOR INDIVIDUAL INCOME TAX**

**Prospective Offerors:**

**Some of the information presented at the pre-proposal conference on  
May 26, 1999, is attached. A list of the industry registrants is included.**

**Please continue to monitor the IRS Procurement web page for additional  
information.**

**Sincerely,**

**Jeffrey P. Petrino  
Contracting Officer**

**Attachment**

List of Industry Registrants  
Pre-Proposal Conference, May 26, 1999, 9:00 a.m. – 11:00 a.m.  
IRS New Carrollton Federal Building, Main Auditorium, Building A  
5000 Ellin Road, New Carrollton, MD  
IRS Final RFP#TIRNO-99-R-00035  
Electronic Tax Administration Pilot of  
Alternative Payment Methods for Individual Income Tax

Paul Korb, Bank of America  
Harry Piccariello and Michael Flynn, Information Builders  
Maureen Blando, PostX Corp.  
Joe Lindwarm and Frank Lynch of National Data Corp.  
Yvonne DeCicco, Scott Whitehead, and Lisa Lindvall of American Express  
Craig White of U.S. Audiotex  
Karen Reid of NOVUS/Discover Card  
Keith P. McMellen, Bank One, NA  
Tanya Brown and Chris Stelter, AT&T Corp.  
Nina Lovell, SecureTax.com

## **FINAL RFP#TIRNO-99-R-00035**

### **Electronic Tax Administration Pilot of Alternative Payment Methods For Individual Income Tax**

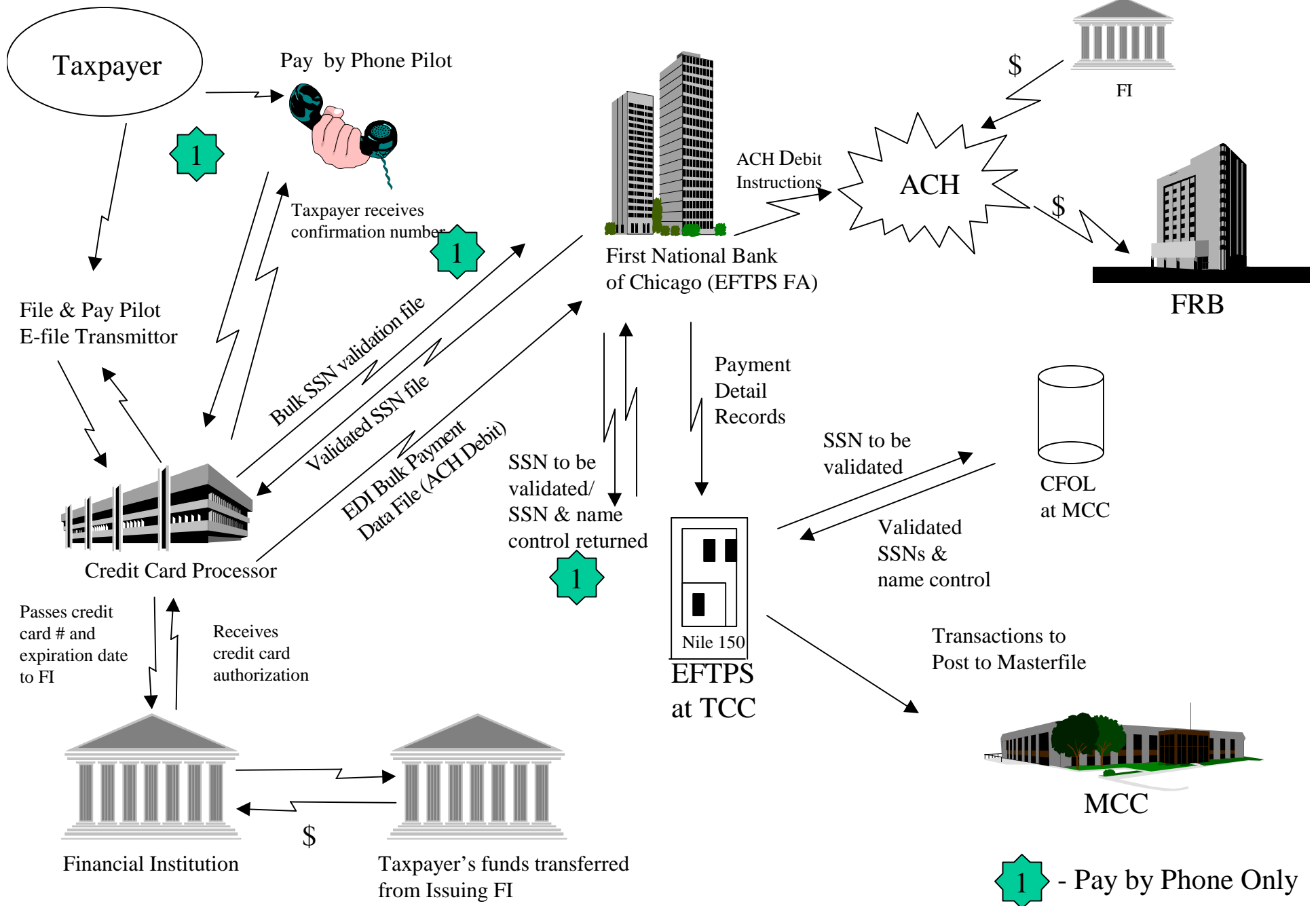
#### **Filing Season 1999 Pilots**

- ❑ All tax preparation software could include direct debit payment option.
- ❑ TurboTax® and MacInTax® also had credit card payment option (Discover brand cards only).
- ❑ 1040 balance due payments by credit card through US Audiotex (1-888-2PAY-TAX).

#### **Filing Season 2000 Pilots**

- ❑ Debit payment option within TeleFile.
- ❑ Estimated tax payments via pay by phone credit card processor, US Audiotex (1-888-2PAY-TAX), as option year extension from 1999 agreement.
- ❑ Payments related to Extension to File via pay by phone credit card processor, US Audiotex (1-888-2PAY-TAX) as option year extension from 1999 agreement.
- ❑ FED/State payments for balance due (2 payments – one phone call) via pay by phone credit card processor, US Audiotex (1-888-2PAY-TAX) as option year extension from 1999 agreement.
- ❑ Expansion to WebTurboTax® and TurboTax ProSeries® (Intuit products) as option year extension from 1999 contract with Discover Brand Cards.
- ❑ Pilots with additional partners selected for new contracts. See mandatory requirements for proposals submitted in response to this Final RFP.

# ETA 1999 CREDIT CARD PILOTS



## **FINAL RFP#TIRNO-99-R-00035**

### **Electronic Tax Administration Pilot of Alternative Payment Methods For Individual Income Tax**

**Note: The following two exhibits are included in the document handed out and discussed by two representatives (see footnote<sup>1</sup> below) from Anexsys (formerly known as First Chicago/Mercantile Services) at IRS's Pre-Proposal Conference for this RFP on May 26, 1999. The other contents of the Anexsys hand-out document at the conference provide the same information already included in the Final RFP's Attachment 2 –EFTPS Credit Card Bulk Filer Requirements, Revised April 27, 1999. These exhibits are the only items not already included in the Final RFP's Attachment 2.**

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<sup>1</sup> Anthony Castellano  
Maribeth Anderson

Operations  
Systems

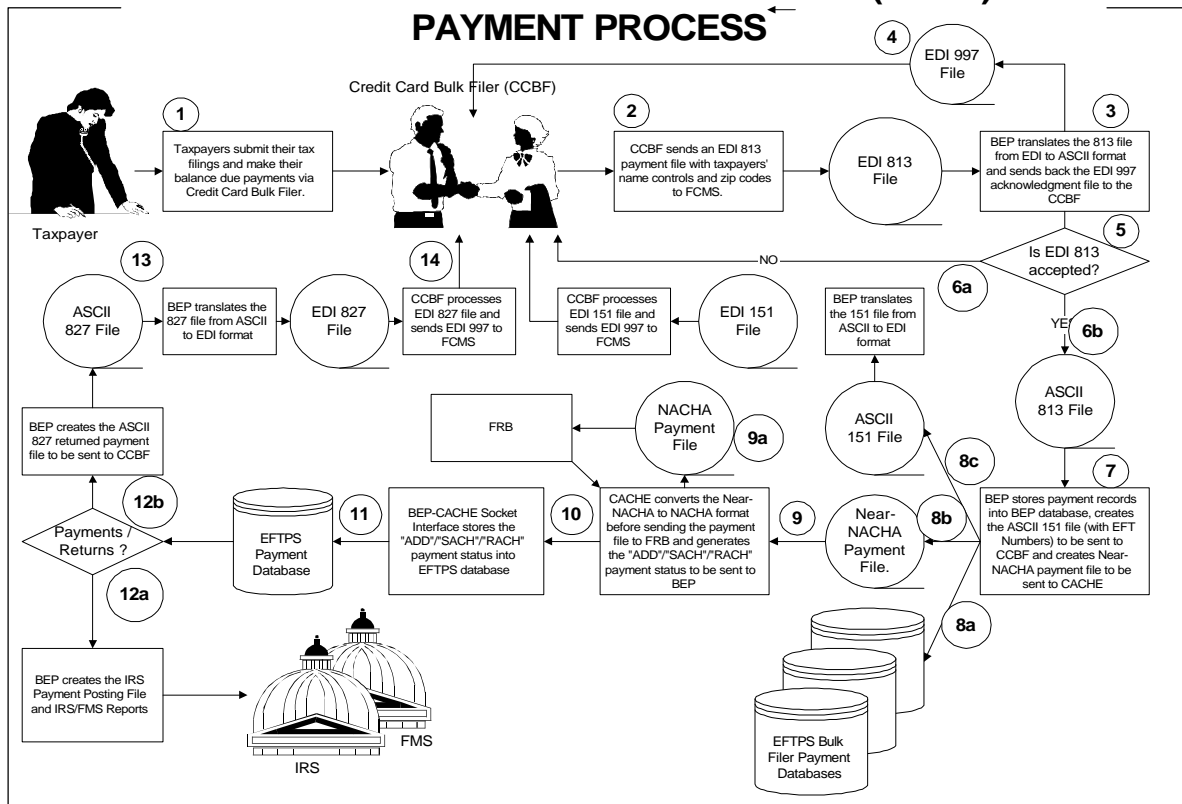
Operations Sr. Management  
Systems Sr. Management

312-441-4082  
312-441-4015

**CREDIT CARD BULK FILER DEVELOPMENT SCHEDULE (SAMPLE)**

<b>STEPS</b>	<b>STAGE OF PROJECT</b>	<b>ACTUAL DATES</b>	<b>TIME</b>
<b>1</b>	KICKOFF/INITIATION	9/8 - 9/15/98	1 week
<b>2</b>	GATHER REQUIREMENTS	9/8 - 10/20/98	4 weeks
<b>3</b>	SYSTEM DESIGN/CODING	10/21 - 11/2/98	1 <b>2</b> - 2 weeks
<b>4</b>	UNIT TESTING	11/2 - 11/19/99	2 weeks
	TELECOMMUNICATIONS/ EQUIPMENT ACQUISITION	10/21 - 12/1/98	5 weeks
<b>5</b>	SYSTEMS/UAT TESTING	11/19 - 12/14/98	3 weeks
<b>6</b>	END TO END/FULL CIRCLE TESTING	12/14 - 12/21/98	1 week
<b>7</b>	TRANSITION	12/21/98 - 1/8/99	3 weeks
<b>8</b>	PRODUCTION IMPLEMENTATION	1/8/99	
	<b>TOTAL TIMELINE</b>		<b>12 - 16 weeks</b>

## FCMS-EFTPS CREDIT CARD BULK FILER (CCBF) PAYMENT PROCESS



## **FINAL RFP#TIRNO-99-R-00035**

### **Electronic Tax Administration Pilot of Alternative Payment Methods For Individual Income Tax**

Questions#1 and #2 below were answered by Larry Faulkner, IRS Electronic Payment Programs Program Manager at the IRS's May 26, 1999 Pre-Proposal Conference for this RFP.

Question #1:

Will IRS be ready by December 1999 to use direct debit ACH for estimated payments?

Answer#1:

Not as an integrated payment feature as part of IRS' electronic filing (*IRS e-file*) program. However:

1. IRS is planning on making direct debit ACH available for estimated payments as an integrated payment feature as part of the *IRS e-file* program for tax year 2000 during Filing Season 2001 (beginning January 2001).
2. For tax year 1999, individuals can pay their estimated taxes by debit if they first enroll in the Electronic Federal Tax Payment System (EFTPS). For more information on this option, taxpayers should call 1-800-945-8400 or 1-800-555-4477.

Question#2:

Does IRS expect to accept electronic filing of Form 1040ES for estimated taxes? If so, will there be modifications to Form 8453 or some other form for an electronic authorization of a debit payment covering the estimated tax?



Answer#2:

Form 1040ES can be filed electronically now. However, the only current method of payment is by check. Beginning in February 2000, individuals will be able to pay their estimated taxes for tax year 2000 by credit card. No debit payment option (other than via EFTPS (see above) ) is planned until Filing Season 2001.

When a debit payment option for estimated taxes is made available (Filing Season 2001), no added signature alternative forms are envisioned. We are planning on implementing the estimated tax payment option as a feature of the *IRS e-file* program. In other words, the electronic Form 1040ES will incorporate the payment record information as a single electronic transaction and will satisfy both the filing and payment requirements.